

## Lesson 13.1 Marketing through Distribution

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. The most challenging and complex part of marketing is distribution.
- F   2. For most products, distribution accounts for about 10 percent of total marketing costs.
- F   3. Distribution has only become an important part of marketing in the past 50 years.
- T   4. Since a free enterprise economy is based on the matching of production and consumption, distribution is essential to the effectiveness of free enterprise.
- T   5. Distribution as a part of the marketing mix involves the locations and methods used to make the product available to customers.
- T   6. The success of a product or a business is usually influenced by many other businesses.
- F   7. A producer only has to be concerned about where the product is produced, not where it will be sold or used.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- A   8. The oldest and most basic part of marketing is
  - A. distribution
  - B. production
  - C. advertising
  - D. placing an order
- C   9. The amount of satisfaction a consumer receives from the consumption of a particular product or service is
  - A. product satisfaction
  - B. consumption satisfaction
  - C. economic utility
  - D. based solely on distribution
- B   10. Businesses that apply the marketing concept will fail if each company involved in distribution
  - A. is not involved in developing the product
  - B. does not follow the marketing plan
  - C. does not use the lowest cost methods available
  - D. all of the above

## Activity 1 • Doing More than Distribution

**Directions:** Review articles and stories in business magazines, newspapers, and on the Internet about businesses that are involved in product distribution. Find information on how the distribution activities are related to or affected by each of the other marketing functions. Write a brief description of each example in the space provided.

Selling: Answers will vary.

Promotion: \_\_\_\_\_

Risk Management: \_\_\_\_\_

Pricing: \_\_\_\_\_

Marketing-information management: \_\_\_\_\_

Product and service management: \_\_\_\_\_

Financing: \_\_\_\_\_

Market Planning: \_\_\_\_\_

## Activity 2 • Moving Products Around the World

**Directions:** Identify three manufacturers from your area that have important markets for their products in several other countries. Using information obtained directly from the companies or the Internet, determine where the products are distributed and sold.

Manufacturer: Answers will vary. Product: Answers will vary.

Sold in:

Country 1: Answers will vary.

Country 2: \_\_\_\_\_

Country 3: \_\_\_\_\_

Country 4: \_\_\_\_\_

Manufacturer: \_\_\_\_\_ Product: \_\_\_\_\_

Sold in:

Country 1: \_\_\_\_\_

Country 2: \_\_\_\_\_

Country 3: \_\_\_\_\_

Country 4: \_\_\_\_\_

Manufacturer: \_\_\_\_\_ Product: \_\_\_\_\_

Sold in:

Country 1: \_\_\_\_\_

Country 2: \_\_\_\_\_

Country 3: \_\_\_\_\_

Country 4: \_\_\_\_\_

## Lesson 13.2 Assembling Distribution Channels

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- F   1. Some products and services do not require a channel of distribution.
- T   2. There are many differences in what producers develop and what customers need.
- F   3. Most businesses sell their products to a limited number of customers who purchase the quantity they need for personal consumption.
- T   4. A channel of distribution will accumulate products from a number of manufacturers and make them available in one location to give consumers adequate choice and variety to meet their needs.
- T   5. A channel of distribution is necessary to move the product from the place where it is produced to the place where it will be consumed.
- F   6. An indirect channel of distribution is most often selected when consumers are located in a limited geographic area.
- F   7. Channel management is most effective when each member works independently to meet its own goals.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- C   8. When products and services are exchanged, they move through a
  - A. product pipeline
  - B. single distributor
  - C. channel of distribution
  - D. business exchange network
- D   9. In the exchange between producer and consumer,
  - A. only the producer is responsible for completing all of the marketing functions
  - B. only the consumer is responsible for completing all of the marketing functions
  - C. channel members other than the producer and consumer complete only distribution activities
  - D. each channel member may be responsible for completing some of the marketing functions in addition to distribution
- B   10. Managing a channel of distribution is the responsibility of the
  - A. consumers
  - B. channel captain
  - C. resellers
  - D. manufacturer or producer

## Activity 1 • Local Grocery Store, International Products

**Directions:** Your local grocery store offers perishable foods that are produced around the world. Getting those products from the suppliers to their customers in the best possible condition is a challenge of the international channel of distribution. Visit a local grocery store. Identify two items in each product category listed below sold in the store. Check labels to identify the producer or distributor and location of production. Make sure at least one product in each category is produced outside the United States. Identify any special handling the product needs during distribution. Evaluate the freshness, appearance, and quality of the product.

### Fresh Fruit

Product: Answers will vary. Producer: Answers will vary.

Special Handling: Answers will vary. Location: Answers will vary.

Product Evaluation: \_\_\_\_\_

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

### Baked Goods

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

### Meat

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

### Frozen Foods

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

### Seafood/Fish

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

Product: \_\_\_\_\_ Producer: \_\_\_\_\_

Special Handling: \_\_\_\_\_ Location: \_\_\_\_\_

Product Evaluation: \_\_\_\_\_

## Lesson 13.3 Wholesaling Manages the Middle

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. Marketing functions can be shifted or shared, but they cannot be eliminated in a channel of distribution.
- F   2. Wholesalers work as frequently with final consumers as they do with manufacturers and retailers.
- F   3. The advantage of wholesalers is that they can always complete distribution activities at a lower cost than either manufacturers or retailers.
- T   4. Wholesalers accumulate the products of many manufacturers, develop appropriate assortments for their customers, and distribute the products to them.
- F   5. As many manufacturers and retailers get bigger and as distribution and communication methods improve, the need for wholesalers has continued to decrease.
- T   6. Export and import firms are examples of international wholesalers.
- T   7. Wholesalers can use technology to provide marketing information management services to their customers.

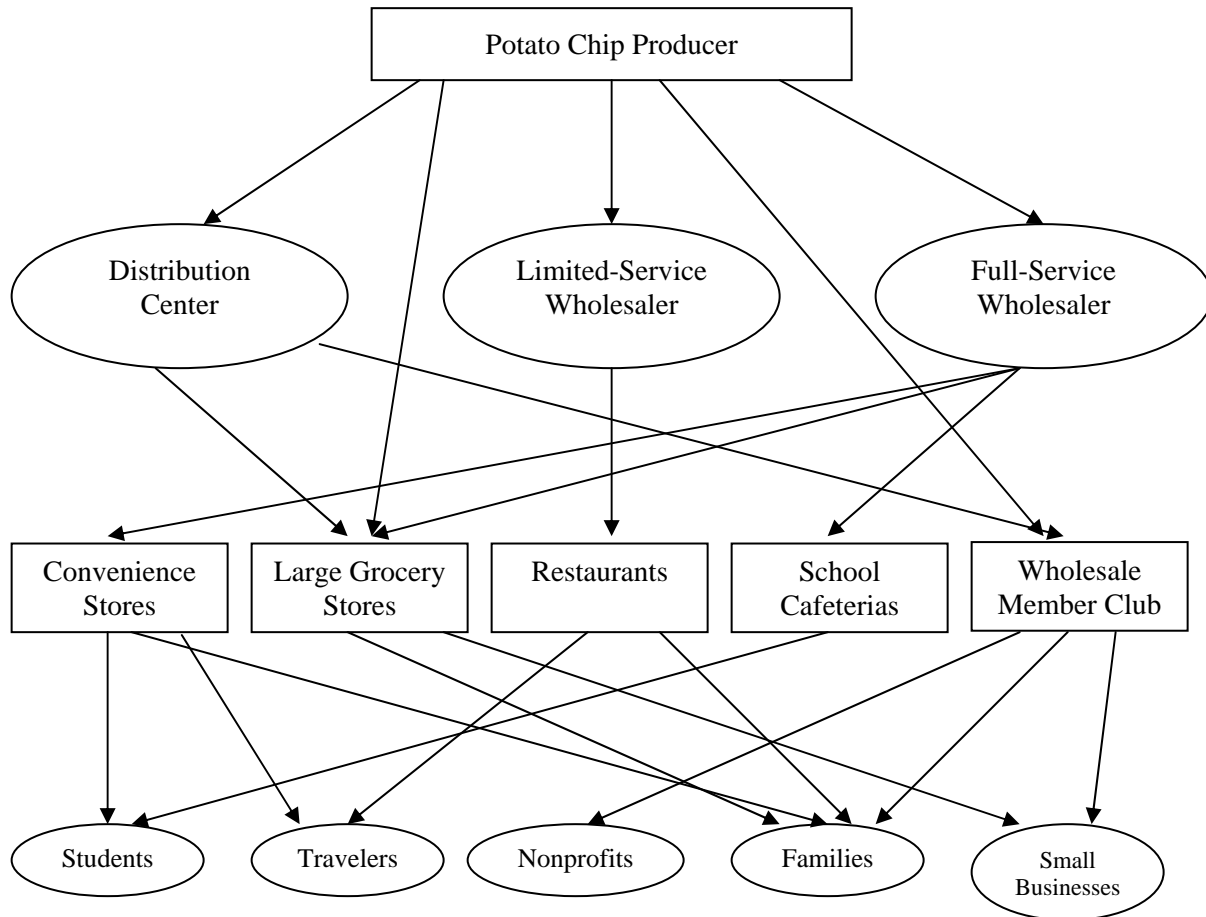
**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D   8. A wholesaler becomes part of a channel of distribution when
  - A. there are too many retailers for a manufacturer to serve efficiently
  - B. a retailer works with a large number of producers
  - C. the wholesaler is able to complete a large number of marketing tasks that manufacturers or retailers do not want to perform
  - D. all of the above
- D   9. A wholesale club targets
  - A. small businesses
  - B. employees of large businesses and organizations
  - C. individual consumers
  - D. all of the above
- A   10. Wholesale businesses owned by producers or retailers to provide distribution services to members are known as
  - A. wholesale cooperatives
  - B. full-service wholesalers
  - C. limited-service wholesalers
  - D. brokers

## Activity 1 • Moving Potato Chips

**Directions:** Potato chips are sold by retailers to both final consumers for consumption and business consumers for resale. Connect the appropriate channel members so that each consumer gets potato chips through a logical channel. Be prepared to explain your decisions.

*Answers will vary. A sample answer is shown.*



## Activity 2 • Membership Has Benefits

**Directions:** Contact a nearby wholesale club or visit the Internet site for Sam's Club, BJ's Wholesale Club, or Costco Wholesale. Gather information and answer the following questions.

Membership requirements: Answers will vary.

Membership levels: \_\_\_\_\_

Cost of memberships: \_\_\_\_\_

Membership benefits: \_\_\_\_\_

## Lesson 13.4 Retailing Reaches Consumers

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. The primary customers of a retailer are individual consumers purchasing to meet their own needs.
- F   2. Retailers purchase products only from wholesalers.
- T   3. Retailers store large amounts of inventory of products so customers will have a variety of product choices and ready availability.
- F   4. All retailers offer a wide variety of choices from many product categories.
- F   5. Businesses that offer services as their primary business are not considered to be retailers.
- T   6. Non-store retailing involves selling directly to the consumer at home rather than requiring the consumer to travel to a store.
- F   7. Because retailers must appeal to all types of consumers, they try to reduce the amount of technology used in the business.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- B   8. An important way of categorizing retailers is by the
  - A. characteristics of their customers
  - B. types of products offered
  - C. area of a town or city where they are located
  - D. name of the store
- A   9. The owner of a franchise that develops a basic business plan and operating procedures for the business is the
  - A. franchisor
  - B. franchisee
  - C. financier
  - D. channel captain
- C   10. The elements of the shopping environment that are appealing to customers, attract them to a store, and encourage them to buy are known as
  - A. the store layout
  - B. the shopping experience
  - C. atmospherics
  - D. a competitive advantage

## Activity 1 • Specialty Retailers

**Directions:** Select a nearby specialty retailer you can visit. Answer the following questions.

*Answers will vary.*

Retailer: \_\_\_\_\_

Product category(ies) and variety: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Target market description: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

How does the retailer try to make its marketing mix unique and appealing to the target market? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

## Activity 2 • Retail Location and Atmospherics

**Directions:** Location and atmospherics are important to all retailers that expect customers to visit the retail store. Select a nearby retailer and evaluate the following factors related to location and atmospherics that contribute to a positive shopping experience.

*Answers will vary.*

Retailer: \_\_\_\_\_ Location: \_\_\_\_\_

Type of retailer: \_\_\_\_\_ Target market: \_\_\_\_\_

Nearby retailers or other businesses: \_\_\_\_\_

Appearance of the building: \_\_\_\_\_

Signage: \_\_\_\_\_

Amount and quality of parking: \_\_\_\_\_

Amount of vehicle, public transportation, and foot traffic: \_\_\_\_\_

Positive and negative traffic pattern factors (traffic lights, medians, one-way streets, etc.): \_\_\_\_\_

\_\_\_\_\_

Accessibility from major roads: \_\_\_\_\_

Overall impression of retailer atmospherics: \_\_\_\_\_

\_\_\_\_\_



## Lesson 13.5 Physical Distribution

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. Another name for physical distribution is logistics.
- F   2. Physical distribution includes financing of a product as it moves through the channel of distribution.
- T   3. Products are often grouped into large units for transportation and then divided into smaller units for display and sale.
- F   4. Railroads are particularly useful for carrying a large quantity of small products that need to be delivered quickly.
- T   5. Air transportation is the best choice for delivering products long distances rapidly.
- T   6. A pipeline can be expensive to construct and difficult to maintain.
- F   7. Most products are delivered from the manufacturer to the final customer using a single transportation method.
- T   8. An inventory control system should identify how much of each product is being sold and how rapidly.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D   9. Factors involved in selecting a transportation method for products include the
  - A. location where the product is to be delivered
  - B. type of product to be shipped
  - C. speed of delivery
  - D. all of the above
- B   10. The most flexible major transportation method is
  - A. railroads
  - B. trucks
  - C. ships and boats
  - D. air
- A   11. A facility used to accumulate products from several sources and then regroup, repackage, and send them as quickly as possible to the locations where they will be used is a
  - A. distribution center
  - B. central exchange facility
  - C. warehouse
  - D. factory outlet

## Activity 1 • Special Requirements in Distribution

**Directions:** Think about the process of producing, distributing, and selling three different types of products: fresh flowers, backpacks, and tropical birds. Each provides a different distribution challenge. Answer the following questions for each product.

1. Where will the product be produced?
2. Where will the product be used?
3. Where will the product be exchanged?
4. What characteristics of the product will affect distribution?
5. What type of special handling is needed?
6. What type of risks will be faced by the distributor?

*Answers will vary but could include the following points.*

Fresh flowers: Will be grown at a nursery; used in homes, restaurants, hospitals, and weddings; exchanged in flower shops, grocery stores, roadside stands, and garden centers; distribution must be fast and refrigerated; special handling is necessary to protect, preserve, and display the flowers.

Backpacks: Will be produced in a factory; used in schools; exchanged in a variety of retail stores—general merchandise, specialty, and discount; demand will increase in August and September during the back-to-school time; no special handling is necessary except to reduce product shrinkage in store displays.

Tropical birds: Domestically bred in nurseries that specialize in tropical birds; present in zoo and other entertainment areas, some businesses, and homes; exchanged in pet stores or purchased directly from breeder or a distributor; characteristics affecting distribution include state and federal laws related to transporting live birds—special handling required to protect the birds.

## Activity 2 • Trans-Alaska Pipeline

**Directions:** The Trans-Alaska pipeline provides 17 percent of America's domestic crude oil production. Use the library or Internet to answer the following questions.

When was the pipeline constructed? March 27, 1975 to May 31, 1977

When did the first oil move through the pipeline? June 20, 1977

How long is the pipeline? 800 miles

How much of the pipeline is above ground? 420 miles Below ground? 380 miles

What is the diameter of the pipe? 48 inches

Where does the pipeline start and end? North Slope of Alaska to the port in Valdez, Alaska

How much oil has moved through the pipeline? Over 14 million barrels (2007)

How much did it cost to build the pipeline? Approximately \$8 billion

Who owns the pipeline? Federal government—376 miles; Alaska state government—344 miles; private ownership—80 miles.